GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5413
ANSWERED ON:28.04.2000
ACCEPTANCE OF CASH BY COMMERCIAL BANKS
CHANDRA BHUSHAN SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the local branches of commercial banks, particularly the State Bank of India, having RBI chest in the branch are not accepting surplus cash in hand on daily basis from the State Co-operative Banks;

(b) if so, the details thereof and the reasons therefore; and

(c) the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR)

(a) & (b) Reserve Bank of India (RBI) have received some complaints about non-acceptance of surplus cash by currency chest branches of commercial banks including SBI from non currency chest branches of commercial banks including cooperative banks. According to RBI, capacity constraints and non sorting of cash into eissuables and soiled notes might have led to non-acceptance of surplus cash on some occasions.

(c) The banks having currency chests have been advised by Reserve Bank of India to accept surplus cash from non-currency chest branches of banks including cooperative banks. The Reserve Bank has introduced a linkage scheme under which branches of commercial banks and cooperative banks not having currency chests have been linked to specific currency chests maintaining branches of commercial banks within a distance of 40 kms.